



Change in Temp Staffing Strategy Saves Insurer \$1.6 Million

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Blue Cross Blue Shield of South Carolina was able to cut costs and save time by switching to a "vendor neutral" approach to staffing and by employing vendor management software.

By Marianne Kolbasuk McGee
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Blue Cross Blue Shield of South Carolina has saved \$1.6 million in IT contractor costs over the last two years by changing the way it handles its temporary tech staffing rather than cutting staff.

The ratio of full-time IT staff vs. contracted IT help at the company has stayed pretty much the same over the last few years, about 3 to 1, or about 1,200 full-time technical workers vs. about 400 contractors right now. But the insurer saved \$850,000 in 2005 and \$750,000 in 2004 by shifting to a "vendor neutral" approach to staffing that's enabled by web-based vendor management software from PeopleClick Inc. In 2005, the insurer spent about \$39 million on IT contractors.

In the past, Blue Cross Blue Shield of South Carolina worked with one "preferred" staffing vendor that supplied directly --or subcontracted --whatever temporary tech staff the insurer needed, says Lonnie Emard, Blue Cross Blue Shield of S.C. director of staffing resources management. The insurer's

previous hiring processes for temp tech talent were also crammed with paperwork.

However, with Blue Cross Blue Shield of S.C. usually requiring IT contractors in nearly 20 different job categories, ranging from application and web developers, project managers, network and server support, and help desk staff, the insurer was increasingly finding that its lone staffing firm wasn't always able to find quality talent in a timely way, Emard says.

So in late 2003, Blue Cross Blue Shield decided to shift management of its IT tech recruitment to staffing services firm TechCentral, which deals with dozens of national and local tech staffing firms, and uses a "vendor neutral" approach to choosing contractors, based on price, skills, and other criteria that Blue Cross Blue Shield sets in its staffing requests.

Approximately 140 IT managers at Blue Cross Blue Shield now use PeopleClick's web-based, hosted software services to send requests for IT talent to TechCentral, which also uses the PeopleClick's software to evaluate electronic bids from multiple IT staffing firms, as well as evaluate the resumes from the individuals who want to fill the positions.

In many cases, TechCentral will receive more than 20 resumes for one IT contractor job at Blue

Cross Blue Shield. The staffing services firm turns to the PeopleClick software to rank those resumes and bids, sending to Blue Cross Blue Shield hiring managers only the top three or five resumes for each position. "We've set different thresholds [in the talent, quality and prices] for contractors," says Emard. "Managers don't have to do all the sifting," he says. At the end of each engagement, Blue Cross Blue Shield managers can use the software to assess the performance of the contractor, and that info also helps TechCentral to evaluate the quality of the staffing firms' talent for future hiring.

This automated and more competitive approach to temporary IT staffing has not only slashed the billing rates that Blue Cross Blue Shield pays for its contractors, it's also saved a great deal of time in finding needed talent. In the past, it took an average of almost 40 days to place IT contractors at Blue Cross Blue Shield--that time has been slashed almost in half, to an average of 22 days.

"Contractors fill an immediate need for us," says Emard. "We don't want to have to train or educate them, they need to hit the ground running" and be available as soon as possible, he says.